

SPORTS AGENT RESPONSIBILITY AND TRUST ACT

JUNE 2, 2003.—Ordered to be printed

Mr. SENSENBRENNER, from the Committee on the Judiciary,
submitted the following

R E P O R T

[To accompany H.R. 361]

[Including cost estimate of the Congressional Budget Office]

The Committee on the Judiciary, to whom was referred the bill (H.R. 361) to designate certain conduct by sports agents relating to the signing of contracts with student athletes as unfair and deceptive acts or practices to be regulated by the Federal Trade Commission, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Sports Agent Responsibility and Trust Act”.

SEC. 2. DEFINITIONS.

As used in this Act, the following definitions apply:

(1) **AGENCY CONTRACT.**—The term “agency contract” means an oral or written agreement in which a student athlete authorizes a person to negotiate or solicit on behalf of the student athlete a professional sports contract or an endorsement contract.

(2) **ATHLETE AGENT.**—The term “athlete agent” means an individual who enters into an agency contract with a student athlete, or directly or indirectly recruits or solicits a student athlete to enter into an agency contract, and does not include a spouse, parent, sibling, grandparent, or guardian of such student athlete, any legal counsel for purposes other than that of representative agency, or an individual acting solely on behalf of a professional sports team or professional sports organization.

(3) **ATHLETIC DIRECTOR.**—The term “athletic director” means an individual responsible for administering the athletic program of an educational institution or, in the case that such program is administered separately, the athletic program for male students or the athletic program for female students, as appropriate.

(4) **COMMISSION.**—The term “Commission” means the Federal Trade Commission.

(5) **ENDORSEMENT CONTRACT.**—The term “endorsement contract” means an agreement under which a student athlete is employed or receives consideration for the use by the other party of that individual’s person, name, image, or likeness in the promotion of any product, service, or event.

(6) **INTERCOLLEGIATE SPORT.**—The term “intercollegiate sport” means a sport played at the collegiate level for which eligibility requirements for participation by a student athlete are established by a national association for the promotion or regulation of college athletics.

(7) **PROFESSIONAL SPORTS CONTRACT.**—The term “professional sports contract” means an agreement under which an individual is employed, or agrees to render services, as a player on a professional sports team, with a professional sports organization, or as a professional athlete.

(8) **STATE.**—The term “State” includes a State of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(9) **STUDENT ATHLETE.**—The term “student athlete” means an individual who engages in, is eligible to engage in, or may be eligible in the future to engage in, any intercollegiate sport. An individual who is permanently ineligible to participate in a particular intercollegiate sport is not a student athlete for purposes of that sport.

SEC. 3. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE CONTACT BETWEEN AN ATHLETE AGENT AND A STUDENT ATHLETE.

(a) **CONDUCT PROHIBITED.**—It is unlawful for an athlete agent to—

(1) directly or indirectly recruit or solicit a student athlete to enter into an agency contract, by—

(A) giving any false or misleading information or making a false promise or representation; or

(B) providing anything of value to a student athlete or anyone associated with the student athlete before the student athlete enters into an agency contract, including any consideration in the form of a loan, or acting in the capacity of a guarantor or co-guarantor for any debt;

(2) enter into an agency contract with a student athlete without providing the student athlete with the disclosure document described in subsection (b); or

(3) predate or postdate an agency contract.

(b) **REQUIRED DISCLOSURE BY ATHLETE AGENTS TO STUDENT ATHLETES.**—

(1) **IN GENERAL.**—In conjunction with the entering into of an agency contract, an athlete agent shall provide to the student athlete, or, if the student athlete is under the age of 18, to such student athlete’s parent or legal guardian, a disclosure document that meets the requirements of this subsection. Such disclosure document is separate from and in addition to any disclosure which may be required under State law.

(2) **SIGNATURE OF STUDENT ATHLETE.**—The disclosure document must be signed by the student athlete, or, if the student athlete is under the age of 18, by such student athlete’s parent or legal guardian, prior to entering into the agency contract.

(3) **REQUIRED LANGUAGE.**—The disclosure document must contain, in close proximity to the signature of the student athlete, or, if the student athlete is under the age of 18, the signature of such student athlete’s parent or legal guardian, a conspicuous notice in boldface type stating: “Warning to Student Athlete: If you agree orally or in writing to be represented by an agent now or in the future you may lose your eligibility to compete as a student athlete in

your sport. Within 72 hours after entering into this contract or before the next athletic event in which you are eligible to participate, whichever occurs first, both you and the agent by whom you are agreeing to be represented must notify the athletic director of the educational institution at which you are enrolled, or other individual responsible for athletic programs at such educational institution, that you have entered into an agency contract.”.

SEC. 4. ENFORCEMENT.

(a) UNFAIR OR DECEPTIVE ACT OR PRACTICE.—A violation of this Act shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(b) ACTIONS BY THE COMMISSION.—The Commission shall enforce this Act in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this Act.

SEC. 5. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any athlete agent in a practice that violates section 3 of this Act, the State may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

- (A) enjoin that practice;
- (B) enforce compliance with this Act; or
- (C) obtain damage, restitution, or other compensation on behalf of residents of the State.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

- (i) written notice of that action; and
- (ii) a copy of the complaint for that action.

(B) EXEMPTION.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before filing of the action. In such case, the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

- (A) to be heard with respect to any matter that arises in that action; and
- (B) to file a petition for appeal.

(c) CONSTRUCTION.—For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

- (1) conduct investigations;
- (2) administer oaths or affirmations; or
- (3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for a violation of section 3, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action.

(e) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(f) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

- (1) is an inhabitant; or
- (2) may be found.

SEC. 6. PROTECTION OF EDUCATIONAL INSTITUTION.

(a) **NOTICE REQUIRED.**—Within 72 hours after entering into an agency contract or before the next athletic event in which the student athlete may participate, whichever occurs first, the athlete agent and the student athlete shall each inform the athletic director of the educational institution at which the student athlete is enrolled, or other individual responsible for athletic programs at such educational institution, that the student athlete has entered into an agency contract, and the athlete agent shall provide the athletic director with notice in writing of such a contract.

(b) **CIVIL REMEDY.**—

(1) **IN GENERAL.**—An educational institution has a right of action against an athlete agent for damages caused by a violation of this Act.

(2) **DAMAGES.**—Damages of an educational institution may include and are limited to actual losses and expenses incurred because, as a result of the conduct of the athlete agent, the educational institution was injured by a violation of this Act or was penalized, disqualified, or suspended from participation in athletics by a national association for the promotion and regulation of athletics, by an athletic conference, or by reasonable self-imposed disciplinary action taken to mitigate actions likely to be imposed by such an association or conference.

(3) **COSTS AND ATTORNEYS FEES.**—In an action taken under this section, the court may award to the prevailing party costs and reasonable attorneys fees.

(4) **EFFECT ON OTHER RIGHTS, REMEDIES AND DEFENSES.**—This section does not restrict the rights, remedies, or defenses of any person under law or equity.

SEC. 7. LIMITATION.

Nothing in this Act shall be construed to prohibit an individual from seeking any remedies available under existing Federal or State law or equity.

SEC. 8. SENSE OF CONGRESS.

It is the sense of Congress that States should enact the Uniform Athlete Agents Act of 2000 drafted by the National Conference of Commissioners on Uniform State Laws, to protect student athletes and the integrity of amateur sports from unscrupulous sports agents. In particular, it is the sense of Congress that States should enact the provisions relating to the registration of sports agents, the required form of contract, the right of the student athlete to cancel an agency contract, the disclosure requirements relating to record maintenance, reporting, renewal, notice, warning, and security, and the provisions for reciprocity among the States.

PURPOSE AND SUMMARY

The purpose of H.R. 361, the “Sports Agent Responsibility and Trust Act,” is to designate certain conduct by sports agents relating to the signing of contracts with student athletes as unfair and deceptive acts or practices to be regulated by the Federal Trade Commission (FTC). It provides for a cause of action for economic damages to be sought by either the FTC, the attorney general for the State of occurrence, or the educational institution harmed.

BACKGROUND AND NEED FOR THE LEGISLATION

The multi-million dollar value of professional athlete salaries, signing bonuses, and endorsement contracts has produced a proliferation of questionable ethical practices by some sports agents. Unscrupulous agents, or their representatives, are willing to break the rules in order to sign promising student athletes to a representational contract because the fees that accompany the representation of a professional athlete are considerable, and the agent will risk little in comparison to the athlete or school.

Motivated largely by financial gain, unscrupulous agents have gone to extreme measures with promising student athletes with even a remote chance of becoming a professional athlete. However,

whether a college athlete will succeed professionally is highly speculative. It has been estimated that an National Collegiate Athletic Association (NCAA) athlete has little more than a 1-percent chance of making a professional team, even in a backup role.¹ These agents, or their associates—often known as “runners”—will use tactics including secret payments to the athlete, undisclosed payments to the family or friends of the athlete who may be in a position to influence him or her, unrealistic promises, and even pressuring the athlete through intimidation and threats. In some cases, these agents have made secret payments to student athletes or their families, and then blackmailed them into signing a contract with the threat that they would disclose the violation of collegiate rules thus jeopardizing the student’s competitive eligibility. These acts go unpunished due to disparate, ineffective, or in some cases, a complete absence of State laws.

A student athlete entering into an oral or written agency contract generally forfeits collegiate eligibility.² In addition, the college or university may be subject to various sanctions for violation of competition rules if contests were played with ineligible athletes. If this occurs, the economic impact to the school and the athlete can be substantial. Not only can a student athlete lose a scholarship, the university can be sanctioned with monetary penalties, loss of scholarships, forfeiture of contests, and loss of television revenue.

Currently, there is no Federal law that directly addresses the actions of these agents, although a majority of the States do regulate—in varying degrees—athlete agents and their conduct. Most recently, the National Conference of Commissioners on Uniform State Laws passed the Uniform Athlete’s Agent Act (UAAA) in 2000 addressing the conduct, practices, and registration of athlete agents. H.R. 361 will provide remedies to protect student athletes and the educational institutions, particularly in those States with no existing law addressing athlete agent conduct.

HEARINGS

On May 15, 2003, the Subcommittee on Commercial and Administrative Law held a hearing on H.R. 361, at which Congressman Bart Gordon, Congressman Tom Osborne, and sports agent Scott Boras testified. In addition, written testimony was provided by the National Collegiate Athletic Association.

COMMITTEE CONSIDERATION

On May 15, 2003, the Subcommittee on Commercial and Administrative Law marked up the bill and ordered it favorably reported with an amendment to the full Committee. The amendment, offered by Chairman Cannon, made clarifying revisions to the bill. This amendment, which was adopted by voice vote, does the following: (1) clarifies the right of an individual student athlete to have available legal counsel outside of the realm of representative agency; (2) gives additional emphasis to the provision on the use of loans or co-signing of debts for the student athlete or those asso-

¹ NCAA Online, *Estimated Probability of Competing in Athletics Beyond the High School Inter-scholastic Level* (Visited May 13, 2003) <<http://www.ncaa.org/research/prob—of—competing/>>.

² *Id.*, *NCAA Regulations Related to Agents and Other Amateurism Provisions*, Sub II (Visited May 13, 2003) <<http://www1.ncaa.org/membership/enforcement/agents/agentPacket#Bylaws>>.

ciated with him in anticipation of future agency representation of that athlete; (3) strikes overly broad language relating to court remedies; and (4) specifies that the bill does not prohibit an individual from seeking any remedies available to them under existing State law or equity. Mr. Cannon's amendment was adopted by voice vote.

On May 21, 2003, the Committee met in open session and ordered favorably reported the bill H.R. 361, with amendment, by voice vote, a quorum being present. At the full Committee markup, Mr. Watt offered an amendment that clarified that nothing in the bill prohibits an individual from seeking any remedy under Federal law. Mr. Watt's amendment was adopted by voice vote.

VOTE OF THE COMMITTEE

In compliance with clause 3(b) of the rule XIII of the Rules of the House of Representatives, the Committee notes that no rollcall votes occurred during the Committee's consideration of H.R. 361.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee reports that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

Clause 3(c)(2) of House rule XIII is inapplicable because this legislation does not provide new budgetary authority or increased tax expenditures.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

In compliance with clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the Committee sets forth, with respect to the bill, H.R. 361, the following estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 28, 2003.

Hon. F. JAMES SENSENBRENNER, Jr., *Chairman,*
Committee on the Judiciary,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 361, the Sports Agent Responsibility and Trust Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Julie Middleton (for Federal costs), who can be reached at 226-2860, Victoria Heid Hall and Gregory Waring (for the state and local impact), who can be

reached at 225-2330, and Paige Piper/Bach (for the private-sector impact), who can be reached at 226-2940.

Sincerely,

DOUGLAS HOLTZ-EAKIN.

Enclosure

cc: Honorable John Conyers, Jr.
Ranking Member

H.R. 361—Sports Agent Responsibility and Trust Act.

H.R. 361 would impose certain restrictions on contracts between sports agents and student athletes. For example, the bill would prohibit sports agents from soliciting such a contract by making false promises or offering gifts. These new rules would be enforced by the Federal Trade Commission (FTC) through civil penalties and by the States.

CBO estimates that enacting H.R. 361 would not have a significant impact on the Federal budget. Based on information from the FTC, CBO expects that enforcement of the bill would occur mostly at the State level. Therefore, CBO expects that any increase in civil penalties resulting from the enactment of H.R. 361 would be insignificant. (Such penalties are recorded in the budget as revenues.) Similarly, we estimate that implementing H.R. 361 would increase the FTC's costs by less than \$500,000 annually, assuming the availability of appropriated funds.

H.R. 361 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on State, local, or tribal governments.

H.R. 361 would impose private-sector mandates as defined by UMRA on certain sports agents and student athletes. The bill would prohibit a sports agent from providing anything of value to a student athlete or anyone associated with the athlete before entering into a contract. An agent also would be required to provide a student athlete with a specific disclosure document before entering into an agency contract and could not predate or postdate such a contract. The bill would require a student athlete, or the athlete's parents or legal guardian if the student is under the age of 18, to sign the disclosure document prior to entering into an agency contract. In addition, the bill would require the sports agent and student athlete to each inform the student's educational institution within a specific time frame that the athlete has entered into an agency contract. Based on information from government sources, CBO estimates that the direct cost of those mandates would fall well below the annual threshold established by UMRA for private-sector mandates (\$117 million in 2003, adjusted annually for inflation).

On January 31, 2003, CBO transmitted a cost estimate for H.R. 361 as ordered reported by the House Committee on Energy and Commerce on January 29, 2003. The two versions of the bill are similar, and the cost estimates are identical.

The CBO staff contacts for this estimate are Julie Middleton (for Federal costs), who can be reached at 226-2860, Victoria Heid Hall and Gregory Waring (for the State and local impact), who can be reached at 225-2330, and Paige Piper/Bach (for the private-sector impact), who can be reached at 226-2940. The estimate was ap-

proved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

PERFORMANCE GOALS AND OBJECTIVES

H.R. 361 does not authorize funding. Therefore, clause 3(c)(4) of rule XIII of the Rules of the House of Representatives is inapplicable.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds the authority for this legislation in article I, section 8, of the Constitution.

SECTION-BY-SECTION ANALYSIS AND DISCUSSION

Section 1 provides that this Act may be cited as the “Sports Agent Responsibility and Trust Act.”

Section 2 defines terms used within the bill. Of special note is the definition of “athlete agent,” which is limited to those who are representing the athlete under an agency contract, and is not meant to deter other legal counsel or assistance.

Section 3 defines conduct prohibited by an athlete agent. Prohibited acts include giving false or misleading information; providing anything of value to the athlete or anyone associated with the athlete before entering into a representative contract; requiring disclosure at the time of signing into the contract that the athlete may forfeit NCAA eligibility as a result of the signing of the contract; and the predating or postdating of the contract.

Section 4 defines a violation of this Act as an unfair or deceptive act or practice, and as such, a violation enforceable under the Federal Trade Commission guidelines relating to such a violation.

Section 5 gives an attorney general of a State where this action occurs standing to enforce this Act. The attorney general may file a civil action on behalf of the inhabitants of the State to enjoin the actions, enforce compliance with this act, and obtain damages, restitution, or other compensation on behalf of the residents of the State.

Section 6 gives protection to educational institutions which are damaged as a result of the conduct this act seeks to prevent. If proper notice, which should occur within 72 hours after signing an agency agreement or the next athletic event which the student athlete may participate in (whichever occurs first), is not given to the individual in charge of that university’s athletic program, a violation of this act occurs. After such violation, the educational institution is given a civil remedy for the damages the institution suffered as a result of the non-disclosure.

Section 7 states that nothing in this act is meant to prohibit an individual from seeking any remedies available to them under existing State law or equity. Mr. Watt’s amendment, which was adopted by the full Committee, extended this provision to existing Federal remedies.

Section 8 expresses the sense of Congress that States should enact the UAAA as drafted by the Uniform Conference of Commissioners on Uniform State Laws.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, the Committee notes H.R. 361 makes no changes to existing law.

MARKUP TRANSCRIPT

BUSINESS MEETING

WEDNESDAY, MAY 21, 2003

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, DC.

The Committee met, pursuant to notice, at 10:01 a.m., in Room 2141, Rayburn House Office Building, Hon. F. James Sensenbrenner, Jr. (Chairman of the Committee) presiding.

[Intervening business.]

Chairman SENSENBRENNER. The next item on the agenda is H.R. 361, the "Sports Agent Responsibility and Trust Act." The Chair recognizes the gentleman from Utah, Mr. Cannon, the Chairman of the Subcommittee on Commercial and Administrative Law, for a motion.

Mr. CANNON. The Subcommittee on Commercial and Administrative Law favorably reports the bill H.R. 361 with a single amendment in the nature of a substitute and urges—or moves its adoption by the full Committee.

Chairman SENSENBRENNER. Without objection, the bill will be considered as read and open for amendment at any point.

[The bill, H.R. 361, follows:]

108TH CONGRESS
1ST SESSION

H. R. 361

To designate certain conduct by sports agents relating to the signing of contracts with student athletes as unfair and deceptive acts or practices to be regulated by the Federal Trade Commission.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 27, 2003

Mr. GORDON (for himself, Mr. OSBORNE, Mr. DINGELL, Mr. BROWN of Ohio, Mr. LUCAS of Kentucky, Mr. SERRANO, Ms. NORTON, Mr. SIMMONS, Mr. DUNCAN, Mr. HAYES, Mr. WAMP, Mr. TOWNS, Mr. WILSON of South Carolina, Mr. MATHESON, Mr. ENGEL, Mr. RAMSTAD, Mr. RUSH, Ms. MCCARTHY of Missouri, Mr. LEACH, Mr. SHIMKUS, Mr. DEUTSCH, Mr. STEARNS, Mr. DOYLE, Mr. BURR, Mrs. CAPPS, Mr. PICKERING, and Mr. UPTON) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To designate certain conduct by sports agents relating to the signing of contracts with student athletes as unfair and deceptive acts or practices to be regulated by the Federal Trade Commission.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Sports Agent Respon-
5 sibility and Trust Act”.

1 **SEC. 2. DEFINITIONS.**

2 As used in this Act, the following definitions apply:

3 (1) **AGENCY CONTRACT.**—The term “agency
4 contract” means an oral or written agreement in
5 which a student athlete authorizes a person to nego-
6 tiate or solicit on behalf of the student athlete a pro-
7 fessional sports contract or an endorsement contract.

8 (2) **ATHLETE AGENT.**—The term “athlete
9 agent” means an individual who enters into an agen-
10 cy contract with a student athlete, or directly or in-
11 directly recruits or solicits a student athlete to enter
12 into an agency contract, and does not include a
13 spouse, parent, sibling, grandparent, or guardian of
14 such student athlete, or an individual acting solely
15 on behalf of a professional sports team or profes-
16 sional sports organization.

17 (3) **ATHLETIC DIRECTOR.**—The term “athletic
18 director” means an individual responsible for admin-
19 istering the athletic program of an educational insti-
20 tution or, in the case that such program is adminis-
21 tered separately, the athletic program for male stu-
22 dents or the athletic program for female students, as
23 appropriate.

24 (4) **COMMISSION.**—The term “Commission”
25 means the Federal Trade Commission.

1 (5) ENDORSEMENT CONTRACT.—The term “en-
2 dorsement contract” means an agreement under
3 which a student athlete is employed or receives con-
4 sideration for the use by the other party of that in-
5 dividual’s person, name, image, or likeness in the
6 promotion of any product, service, or event.

7 (6) INTERCOLLEGIATE SPORT.—The term
8 “intercollegiate sport” means a sport played at the
9 collegiate level for which eligibility requirements for
10 participation by a student athlete are established by
11 a national association for the promotion or regula-
12 tion of college athletics.

13 (7) PROFESSIONAL SPORTS CONTRACT.—The
14 term “professional sports contract” means an agree-
15 ment under which an individual is employed, or
16 agrees to render services, as a player on a profes-
17 sional sports team, with a professional sports organi-
18 zation, or as a professional athlete.

19 (8) STATE.—The term “State” includes a State
20 of the United States, the District of Columbia, Puer-
21 to Rico, the United States Virgin Islands, or any
22 territory or insular possession subject to the jurisdic-
23 tion of the United States.

24 (9) STUDENT ATHLETE.—The term “student
25 athlete” means an individual who engages in, is eli-

1 gible to engage in, or may be eligible in the future
2 to engage in, any intercollegiate sport. An individual
3 who is permanently ineligible to participate in a par-
4 ticular intercollegiate sport is not a student athlete
5 for purposes of that sport.

6 **SEC. 3. REGULATION OF UNFAIR AND DECEPTIVE ACTS**
7 **AND PRACTICES IN CONNECTION WITH THE**
8 **CONTACT BETWEEN AN ATHLETE AGENT AND**
9 **A STUDENT ATHLETE.**

10 (a) CONDUCT PROHIBITED.—It is unlawful for an
11 athlete agent to—

12 (1) directly or indirectly recruit or solicit a stu-
13 dent athlete to enter into an agency contract, by—

14 (A) giving any false or misleading informa-
15 tion or making a false promise or representa-
16 tion; or

17 (B) providing anything of value to a stu-
18 dent athlete or anyone associated with the stu-
19 dent athlete before the student athlete enters
20 into an agency contract;

21 (2) enter into an agency contract with a stu-
22 dent athlete without providing the student athlete
23 with the disclosure document described in subsection
24 (b); or

25 (3) predate or postdate an agency contract.

1 (b) REQUIRED DISCLOSURE BY ATHLETE AGENTS
2 TO STUDENT ATHLETES.—

3 (1) IN GENERAL.—In conjunction with the en-
4 tering into of an agency contract, an athlete agent
5 shall provide to the student athlete, or, if the stu-
6 dent athlete is under the age of 18, to such student
7 athlete’s parent or legal guardian, a disclosure docu-
8 ment that meets the requirements of this subsection.
9 Such disclosure document is separate from and in
10 addition to any disclosure which may be required
11 under State law.

12 (2) SIGNATURE OF STUDENT ATHLETE.—The
13 disclosure document must be signed by the student
14 athlete, or, if the student athlete is under the age of
15 18, by such student athlete’s parent or legal guard-
16 ian, prior to entering into the agency contract.

17 (3) REQUIRED LANGUAGE.—The disclosure doc-
18 ument must contain, in close proximity to the signa-
19 ture of the student athlete, or, if the student athlete
20 is under the age of 18, the signature of such student
21 athlete’s parent or legal guardian, a conspicuous no-
22 tice in boldface type stating: “Warning to Student
23 Athlete: If you agree orally or in writing to be rep-
24 resented by an agent now or in the future you may
25 lose your eligibility to compete as a student athlete

1 in your sport. Within 72 hours after entering into
2 this contract or before the next athletic event in
3 which you are eligible to participate, whichever oc-
4 curs first, both you and the agent by whom you are
5 agreeing to be represented must notify the athletic
6 director of the educational institution at which you
7 are enrolled, or other individual responsible for ath-
8 letic programs at such educational institution, that
9 you have entered into an agency contract.”.

10 **SEC. 4. ENFORCEMENT.**

11 (a) UNFAIR OR DECEPTIVE ACT OR PRACTICE.—A
12 violation of this Act shall be treated as a violation of a
13 rule defining an unfair or deceptive act or practice pre-
14 scribed under section 18(a)(1)(B) of the Federal Trade
15 Commission Act (15 U.S.C. 57a(a)(1)(B)).

16 (b) ACTIONS BY THE COMMISSION.—The Commis-
17 sion shall enforce this Act in the same manner, by the
18 same means, and with the same jurisdiction, powers, and
19 duties as though all applicable terms and provisions of the
20 Federal Trade Commission Act (15 U.S.C. 41 et seq.)
21 were incorporated into and made a part of this Act.

22 **SEC. 5. ACTIONS BY STATES.**

23 (a) IN GENERAL.—

24 (1) CIVIL ACTIONS.—In any case in which the
25 attorney general of a State has reason to believe

1 that an interest of the residents of that State has
2 been or is threatened or adversely affected by the
3 engagement of any athlete agent in a practice that
4 violates section 3 of this Act, the State may bring
5 a civil action on behalf of the residents of the State
6 in a district court of the United States of appropriate jurisdiction to—

8 (A) enjoin that practice;

9 (B) enforce compliance with this Act;

10 (C) obtain damage, restitution, or other
11 compensation on behalf of residents of the
12 State; or

13 (D) obtain such other relief as the court
14 may consider to be appropriate.

15 (2) NOTICE.—

16 (A) IN GENERAL.—Before filing an action
17 under paragraph (1), the attorney general of
18 the State involved shall provide to the
19 Commission—

20 (i) written notice of that action; and

21 (ii) a copy of the complaint for that
22 action.

23 (B) EXEMPTION.—Subparagraph (A) shall
24 not apply with respect to the filing of an action
25 by an attorney general of a State under this

1 subsection, if the attorney general determines
2 that it is not feasible to provide the notice de-
3 scribed in that subparagraph before filing of the
4 action. In such case, the attorney general of a
5 State shall provide notice and a copy of the
6 complaint to the Commission at the same time
7 as the attorney general files the action.

8 (b) INTERVENTION.—

9 (1) IN GENERAL.—On receiving notice under
10 subsection (a)(2), the Commission shall have the
11 right to intervene in the action that is the subject
12 of the notice.

13 (2) EFFECT OF INTERVENTION.—If the Com-
14 mission intervenes in an action under subsection (a),
15 it shall have the right—

16 (A) to be heard with respect to any matter
17 that arises in that action; and

18 (B) to file a petition for appeal.

19 (c) CONSTRUCTION.—For purposes of bringing any
20 civil action under subsection (a), nothing in this title shall
21 be construed to prevent an attorney general of a State
22 from exercising the powers conferred on the attorney gen-
23 eral by the laws of that State to—

24 (1) conduct investigations;

25 (2) administer oaths or affirmations; or

1 (3) compel the attendance of witnesses or the
2 production of documentary and other evidence.

3 (d) ACTIONS BY THE COMMISSION.—In any case in
4 which an action is instituted by or on behalf of the Com-
5 mission for a violation of section 3, no State may, during
6 the pendency of that action, institute an action under sub-
7 section (a) against any defendant named in the complaint
8 in that action—

9 (e) VENUE.—Any action brought under subsection
10 (a) may be brought in the district court of the United
11 States that meets applicable requirements relating to
12 venue under section 1391 of title 28, United States Code.

13 (f) SERVICE OF PROCESS.—In an action brought
14 under subsection (a), process may be served in any district
15 in which the defendant—

16 (1) is an inhabitant; or

17 (2) may be found.

18 **SEC. 6. PROTECTION OF EDUCATIONAL INSTITUTION.**

19 (a) NOTICE REQUIRED.—Within 72 hours after en-
20 tering into an agency contract or before the next athletic
21 event in which the student athlete may participate, which-
22 ever occurs first, the athlete agent and the student athlete
23 shall each inform the athletic director of the educational
24 institution at which the student athlete is enrolled, or
25 other individual responsible for athletic programs at such

1 educational institution, that the student athlete has en-
2 tered into an agency contract, and the athlete agent shall
3 provide the athletic director with notice in writing of such
4 a contract.

5 (b) CIVIL REMEDY.—

6 (1) IN GENERAL.—An educational institution
7 has a right of action against an athlete agent for
8 damages caused by a violation of this Act.

9 (2) DAMAGES.—Damages of an educational in-
10 stitution may include losses and expenses incurred
11 because, as a result of the conduct of the athlete
12 agent, the educational institution was injured by a
13 violation of this Act or was penalized, disqualified,
14 or suspended from participation in athletics by a na-
15 tional association for the promotion and regulation
16 of athletics, by an athletic conference, or by reason-
17 able self-imposed disciplinary action taken to miti-
18 gate actions likely to be imposed by such an associa-
19 tion or conference.

20 (3) COSTS AND ATTORNEYS FEES.—In an ac-
21 tion taken under this section, the court may award
22 to the prevailing party costs and reasonable attor-
23 neys fees.

24 (4) EFFECT ON OTHER RIGHTS, REMEDIES AND
25 DEFENSES.—This section does not restrict the

1 rights, remedies, or defenses of any person under
2 law or equity.

3 **SEC. 7. SENSE OF CONGRESS.**

4 It is the sense of Congress that States should enact
5 the Uniform Athlete Agents Act of 2000 drafted by the
6 National Conference of Commissioners on Uniform State
7 Laws, to protect student athletes and the integrity of ama-
8 teur sports from unscrupulous sports agents. In par-
9 ticular, it is the sense of Congress that States should enact
10 the provisions relating to the registration of sports agents,
11 the required form of contract, the right of the student ath-
12 lete to cancel an agency contract, the disclosure require-
13 ments relating to record maintenance, reporting, renewal,
14 notice, warning, and security, and the provisions for reci-
15 procity among the States.

○

Chairman SENSENBRENNER. And the Subcommittee amendment in the nature of a substitute, which the Members have before them, will be considered as read, considered as the original text for purposes of amendment, and open for amendment at any point.
[The amendment in the nature of a substitute follows:]

SUBSTITUTE AMENDMENT TO H.R. 361
AS REPORTED BY THE SUBCOMMITTEE ON
COMMERCIAL AND ADMINISTRATIVE LAW

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Sports Agent Respon-
3 sibility and Trust Act”.

4 **SEC. 2. DEFINITIONS.**

5 As used in this Act, the following definitions apply:

6 (1) **AGENCY CONTRACT.**—The term “agency
7 contract” means an oral or written agreement in
8 which a student athlete authorizes a person to nego-
9 tiate or solicit on behalf of the student athlete a pro-
10 fessional sports contract or an endorsement contract.

11 (2) **ATHLETE AGENT.**—The term “athlete
12 agent” means an individual who enters into an agen-
13 cy contract with a student athlete, or directly or in-
14 directly recruits or solicits a student athlete to enter
15 into an agency contract, and does not include a
16 spouse, parent, sibling, grandparent, or guardian of
17 such student athlete, any legal counsel for purposes
18 other than that of representative agency, or an indi-
19 vidual acting solely on behalf of a professional sports
20 team or professional sports organization.

21 (3) **ATHLETIC DIRECTOR.**—The term “athletic
22 director” means an individual responsible for admin-

1 istering the athletic program of an educational insti-
2 tution or, in the case that such program is adminis-
3 tered separately, the athletic program for male stu-
4 dents or the athletic program for female students, as
5 appropriate.

6 (4) COMMISSION.—The term “Commission”
7 means the Federal Trade Commission.

8 (5) ENDORSEMENT CONTRACT.—The term “en-
9 dorsement contract” means an agreement under
10 which a student athlete is employed or receives con-
11 sideration for the use by the other party of that in-
12 dividual’s person, name, image, or likeness in the
13 promotion of any product, service, or event.

14 (6) INTERCOLLEGIATE SPORT.—The term
15 “intercollegiate sport” means a sport played at the
16 collegiate level for which eligibility requirements for
17 participation by a student athlete are established by
18 a national association for the promotion or regula-
19 tion of college athletics.

20 (7) PROFESSIONAL SPORTS CONTRACT.—The
21 term “professional sports contract” means an agree-
22 ment under which an individual is employed, or
23 agrees to render services, as a player on a profes-
24 sional sports team, with a professional sports organi-
25 zation, or as a professional athlete.

1 (8) STATE.—The term “State” includes a State
2 of the United States, the District of Columbia, Puer-
3 to Rico, the United States Virgin Islands, or any
4 territory or insular possession subject to the jurisdic-
5 tion of the United States.

6 (9) STUDENT ATHLETE.—The term “student
7 athlete” means an individual who engages in, is eli-
8 gible to engage in, or may be eligible in the future
9 to engage in, any intercollegiate sport. An individual
10 who is permanently ineligible to participate in a par-
11 ticular intercollegiate sport is not a student athlete
12 for purposes of that sport.

13 **SEC. 3. REGULATION OF UNFAIR AND DECEPTIVE ACTS**
14 **AND PRACTICES IN CONNECTION WITH THE**
15 **CONTACT BETWEEN AN ATHLETE AGENT AND**
16 **A STUDENT ATHLETE.**

17 (a) CONDUCT PROHIBITED.—It is unlawful for an
18 athlete agent to—

19 (1) directly or indirectly recruit or solicit a stu-
20 dent athlete to enter into an agency contract, by—

21 (A) giving any false or misleading informa-
22 tion or making a false promise or representa-
23 tion; or

24 (B) providing anything of value to a stu-
25 dent athlete or anyone associated with the stu-

1 dent athlete before the student athlete enters
2 into an agency contract, including any consider-
3 ation in the form of a loan, or acting in the ca-
4 pacity of a guarantor or co-guarantor for any
5 debt;

6 (2) enter into an agency contract with a stu-
7 dent athlete without providing the student athlete
8 with the disclosure document described in subsection
9 (b); or

10 (3) predate or postdate an agency contract.

11 (b) REQUIRED DISCLOSURE BY ATHLETE AGENTS
12 TO STUDENT ATHLETES.—

13 (1) IN GENERAL.—In conjunction with the en-
14 tering into of an agency contract, an athlete agent
15 shall provide to the student athlete, or, if the stu-
16 dent athlete is under the age of 18, to such student
17 athlete's parent or legal guardian, a disclosure docu-
18 ment that meets the requirements of this subsection.
19 Such disclosure document is separate from and in
20 addition to any disclosure which may be required
21 under State law.

22 (2) SIGNATURE OF STUDENT ATHLETE.—The
23 disclosure document must be signed by the student
24 athlete, or, if the student athlete is under the age of

1 18, by such student athlete's parent or legal guard-
2 ian, prior to entering into the agency contract.

3 (3) REQUIRED LANGUAGE.—The disclosure doc-
4 ument must contain, in close proximity to the signa-
5 ture of the student athlete, or, if the student athlete
6 is under the age of 18, the signature of such student
7 athlete's parent or legal guardian, a conspicuous no-
8 tice in boldface type stating: "Warning to Student
9 Athlete: If you agree orally or in writing to be rep-
10 resented by an agent now or in the future you may
11 lose your eligibility to compete as a student athlete
12 in your sport. Within 72 hours after entering into
13 this contract or before the next athletic event in
14 which you are eligible to participate, whichever oc-
15 curs first, both you and the agent by whom you are
16 agreeing to be represented must notify the athletic
17 director of the educational institution at which you
18 are enrolled, or other individual responsible for ath-
19 letic programs at such educational institution, that
20 you have entered into an agency contract."

21 **SEC. 4. ENFORCEMENT.**

22 (a) UNFAIR OR DECEPTIVE ACT OR PRACTICE.—A
23 violation of this Act shall be treated as a violation of a
24 rule defining an unfair or deceptive act or practice pre-

1 scribed under section 18(a)(1)(B) of the Federal Trade
2 Commission Act (15 U.S.C. 57a(a)(1)(B)).

3 (b) ACTIONS BY THE COMMISSION.—The Commis-
4 sion shall enforce this Act in the same manner, by the
5 same means, and with the same jurisdiction, powers, and
6 duties as though all applicable terms and provisions of the
7 Federal Trade Commission Act (15 U.S.C. 41 et seq.)
8 were incorporated into and made a part of this Act.

9 **SEC. 5. ACTIONS BY STATES.**

10 (a) IN GENERAL.—

11 (1) CIVIL ACTIONS.—In any case in which the
12 attorney general of a State has reason to believe
13 that an interest of the residents of that State has
14 been or is threatened or adversely affected by the
15 engagement of any athlete agent in a practice that
16 violates section 3 of this Act, the State may bring
17 a civil action on behalf of the residents of the State
18 in a district court of the United States of appro-
19 priate jurisdiction to—

20 (A) enjoin that practice;

21 (B) enforce compliance with this Act; or

22 (C) obtain damage, restitution, or other
23 compensation on behalf of residents of the
24 State.

25 (2) NOTICE.—

1 (A) IN GENERAL.—Before filing an action
2 under paragraph (1), the attorney general of
3 the State involved shall provide to the
4 Commission—

5 (i) written notice of that action; and
6 (ii) a copy of the complaint for that
7 action.

8 (B) EXEMPTION.—Subparagraph (A) shall
9 not apply with respect to the filing of an action
10 by an attorney general of a State under this
11 subsection, if the attorney general determines
12 that it is not feasible to provide the notice de-
13 scribed in that subparagraph before filing of the
14 action. In such case, the attorney general of a
15 State shall provide notice and a copy of the
16 complaint to the Commission at the same time
17 as the attorney general files the action.

18 (b) INTERVENTION.—

19 (1) IN GENERAL.—On receiving notice under
20 subsection (a)(2), the Commission shall have the
21 right to intervene in the action that is the subject
22 of the notice.

23 (2) EFFECT OF INTERVENTION.—If the Com-
24 mission intervenes in an action under subsection (a),
25 it shall have the right—

1 (A) to be heard with respect to any matter
2 that arises in that action; and

3 (B) to file a petition for appeal.

4 (c) CONSTRUCTION.—For purposes of bringing any
5 civil action under subsection (a), nothing in this title shall
6 be construed to prevent an attorney general of a State
7 from exercising the powers conferred on the attorney gen-
8 eral by the laws of that State to—

9 (1) conduct investigations;

10 (2) administer oaths or affirmations; or

11 (3) compel the attendance of witnesses or the
12 production of documentary and other evidence.

13 (d) ACTIONS BY THE COMMISSION.—In any case in
14 which an action is instituted by or on behalf of the Com-
15 mission for a violation of section 3, no State may, during
16 the pendency of that action, institute an action under sub-
17 section (a) against any defendant named in the complaint
18 in that action—

19 (e) VENUE.—Any action brought under subsection
20 (a) may be brought in the district court of the United
21 States that meets applicable requirements relating to
22 venue under section 1391 of title 28, United States Code.

23 (f) SERVICE OF PROCESS.—In an action brought
24 under subsection (a), process may be served in any district
25 in which the defendant—

1 (1) is an inhabitant; or

2 (2) may be found.

3 **SEC. 6. PROTECTION OF EDUCATIONAL INSTITUTION.**

4 (a) NOTICE REQUIRED.—Within 72 hours after en-
5 tering into an agency contract or before the next athletic
6 event in which the student athlete may participate, which-
7 ever occurs first, the athlete agent and the student athlete
8 shall each inform the athletic director of the educational
9 institution at which the student athlete is enrolled, or
10 other individual responsible for athletic programs at such
11 educational institution, that the student athlete has en-
12 tered into an agency contract, and the athlete agent shall
13 provide the athletic director with notice in writing of such
14 a contract.

15 (b) CIVIL REMEDY.—

16 (1) IN GENERAL.—An educational institution
17 has a right of action against an athlete agent for
18 damages caused by a violation of this Act.

19 (2) DAMAGES.—Damages of an educational in-
20 stitution may include and are limited to actual losses
21 and expenses incurred because, as a result of the
22 conduct of the athlete agent, the educational institu-
23 tion was injured by a violation of this Act or was pe-
24 nalized, disqualified, or suspended from participation
25 in athletics by a national association for the pro-

1 motion and regulation of athletics, by an athletic
2 conference, or by reasonable self-imposed discipli-
3 nary action taken to mitigate actions likely to be im-
4 posed by such an association or conference.

5 (3) COSTS AND ATTORNEYS FEES.—In an ac-
6 tion taken under this section, the court may award
7 to the prevailing party costs and reasonable attor-
8 neys fees.

9 (4) EFFECT ON OTHER RIGHTS, REMEDIES AND
10 DEFENSES.—This section does not restrict the
11 rights, remedies, or defenses of any person under
12 law or equity.

13 **SEC. 7. LIMITATION.**

14 Nothing in this Act shall be construed to prohibit an
15 individual from seeking any remedies available under ex-
16 isting State law or equity.

17 **SEC. 8. SENSE OF CONGRESS.**

18 It is the sense of Congress that States should enact
19 the Uniform Athlete Agents Act of 2000 drafted by the
20 National Conference of Commissioners on Uniform State
21 Laws, to protect student athletes and the integrity of ama-
22 teur sports from unscrupulous sports agents. In par-
23 ticular, it is the sense of Congress that States should enact
24 the provisions relating to the registration of sports agents,
25 the required form of contract, the right of the student ath-

1 lete to cancel an agency contract, the disclosure require-
2 ments relating to record maintenance, reporting, renewal,
3 notice, warning, and security, and the provisions for reci-
4 procity among the States.

Chairman SENSENBRENNER. The Chair recognizes the gentleman from Utah, Mr. Cannon, to strike the last word.

Mr. CANNON. Thank you, Mr. Chairman.

The Subcommittee held a hearing on this bill on May 15th and reported the bill the same day. The Subcommittee adopted an amendment of a substitute with bipartisan support, clarifying a number of matters within the bill as well as specifically preserving the right of student athletes to seek individual redress from any contractual violations under existing State law or equity.

Mr. Chairman, this is an important piece of legislation and one which deserves the Committee's full support. H.R. 361 will address the interaction of sports agents with student athletes. It will give guidelines for sports agents to adhere to in the recruitment and allow the Federal Trade Commission or the attorney general of the State of occurrence to go after agents who do not adhere to the guidelines. Set out in this bill—that is, the guidelines set out in this bill.

In addition, it provides a cause of action for educational institutions against a sport agent whose actions result in making a player ineligible for collegiate competition. In an all too common sequence of unethical conduct, such agents often fail to properly notify the university, thus causing sanctions, forfeitures, or other penalties to the university for which it has no fault.

This bill is patterned after language in the Uniform Athlete Agents Act, which has been adopted by over 20 States. The need for a Federal solution is clear when one considers the interstate nature of collegiate athletics. Currently there is nothing to stop an unscrupulous sports agent from victim shopping—or victim forum shopping by waiting to approach star athletes in States with no appropriate enforcement tools, States where those actions can occur without fear of retribution or redress.

This bill does not indict the conduct of all sports agents. Not all are the Bob Sugars, as depicted in the movie "Jerry Maguire." The bill seeks to protect the often guileless student athlete from real-life consequences of dealing with the unscrupulous. H.R. 361 was originally referred to the Committee on Energy and Commerce, which reported this legislation by voice vote on January 29th. The Committee on Judiciary received a sequential referral, which expires on June 1.

Again, I urge the Committee to support this bill. Thank you, Mr. Chairman.

Chairman SENSENBRENNER. In the absence of Mr. Watt, does any Member of the minority wish to make an opening statement? If not, without objection, all Members may enter opening statements in the record at this point.

Are there amendments?

Ms. JACKSON LEE. Mr. Chairman?

Chairman SENSENBRENNER. Does Mr. Watt have an opening statement he'd like to make?

Mr. WATT. No, I don't have an opening statement. I have an amendment, though.

Chairman SENSENBRENNER. Okay.

Mr. WATT. Whenever you get to that point.

Chairman SENSENBRENNER. We're at that point now. The clerk will report the Watt amendment.

The CLERK. Mr. Chairman, I don't have a Watt amendment.

Mr. WATT. Right here.

Chairman SENSENBRENNER. The clerk will forbear.

The clerk will now report the Watt amendment.

The CLERK. Amendment to the amendment in the nature of a substitute to H.R.—

Mr. WATT. Mr. Chairman, I ask unanimous consent that the amendment be considered as read.

The CLERK.—361 offered by Mr.—

Chairman SENSENBRENNER. Without objection, the amendment is considered as read.

[Mr. Watt's amendment follows:]

AMENDMENT TO SUBSTITUTE AMENDMENT TO H.R. 361 OFFERED BY MR. WATT

On page 10, line 16, before "State" insert "Federal or".

Chairman SENSENBRENNER. The gentleman from North Carolina is recognized for 5 minutes.

Mr. WATT. I thank the Chairman, and I apologize to the Chairman for being in and out. But there are two markups going on. Fortunately, they're all in the same hall, and I'm trying to run back and forth.

The question came up in the Subcommittee about whether individuals have a cause of action under this bill as opposed to just the FTC and universities who may be adversely impacted by the acts of agents. And Mr. Cannon clarified that partially in his amendment to the bill which was passed in the Subcommittee during our Subcommittee consideration. Unfortunately, Mr. Cannon's amendment makes it explicit that whatever individual rights a person has under State law or equity are protected, but he didn't—his amendment didn't make reference to Federal law. And I'm not sure that there are causes of action under the Federal law other than with the FTC. But after looking at this quite extensively, I thought—and I think everybody agrees—that we should not be wiping out any individual causes of action that individual claimants might have as a result of passing this legislation, which is designed to advance accountability on the part of sports agents.

And so this simply makes it clear that if there are other potential Federal causes of action other than under this bill, individual student athletes would have the right to pursue them also, and I will yield to Mr. Cannon if he is trying to get me to yield.

Mr. CANNON. Thank you. I was actually just wanting to let you finish before I asked a question.

I'm not sure whether or not to oppose or accept the amendment. I can't think of anything—a Federal action that exists now that would favor students. Do you have something in mind when you—

Mr. WATT. No, I don't. But I guess, in effect, what we're saying is if there is any individual cause of action under Federal law, we

don't want to foreclose that. We're not creating a cause of action, but we want to make it explicit that we're not foreclosing the cause of action.

Mr. CANNON. If the gentleman would yield further, it is my sense that what we're doing with this section is to not limit, and I don't have a sense of the implications of adding Federal, except to suggest that we don't want to—we don't want to federalize more than we're trying to—we're trying to be very narrow in what we're doing with this and not expand Federal actions or causes of action.

Mr. WATT. And I absolutely agree with the gentleman, and if the gentleman will take a look at his language that he inserted at the Subcommittee level with the amendment that you offered, on page 10 you say, "Nothing in this Act shall be construed to prohibit an individual from seeking any remedies available under existing State law or equity."

All we're doing is applying the same thing to any remedies that might—

Chairman SENSENBRENNER. Will the gentleman yield?

Mr. WATT.—exist under Federal law.

Chairman SENSENBRENNER. Will the gentleman yield?

Mr. WATT. I'm happy to yield to the Chairman.

Chairman SENSENBRENNER. I think the amendment is a logical one, and I'm particularly concerned if "Federal" is left out that a diversity suit against a sports agent that did not reside in the State where the student or the educational institution resided would end up being precluded from going into Federal court. So I think the gentleman's amendment is a constructive addition.

Mr. WATT. Well, I thank the gentleman, and the gentleman knows—

Mr. CANNON. Would the gentleman—

Mr. WATT.—support getting all these things into Federal court. So—

Mr. CANNON. Would the gentleman yield for a further question?

Mr. WATT. Yes, I will yield to Mr. Cannon.

Mr. CANNON. We're about to—

Mr. WATT. I was saying that facetiously, of course, Mr. Chairman.

Mr. CANNON. We're about to mark up a class action lawsuit. Does the gentleman anticipate that this will have any effect on class actions?

Mr. WATT. No, sir. I don't think so. These are individual actions that we're dealing with.

Chairman SENSENBRENNER. If the gentleman will yield further, it might have an effect on class actions if there are a whole lot of athletes that are—

Mr. WATT. Right, that could possibly be. But we're still—hope springs eternal that the next bill will be defeated.

Chairman SENSENBRENNER. The gentleman's time has expired. The question—

Mr. CANNON. Mr. Chairman, I'm willing to accept the gentleman's amendment and would like to go on record saying that.

Chairman SENSENBRENNER. The question is on adoption of the amendment offered by the gentleman from North Carolina, Mr. Watt. Those in favor will say aye. Opposed, no.

The ayes appear to have it. The ayes have it, and the amendment is agreed to.

Are there further amendments? If there are no further amendments, the Chair notes the presence of a reporting quorum. Those in favor of reporting the bill favorably will say aye. Opposed, no.

The ayes appear to have it. The ayes have it, and the motion to report favorably is agreed to.

Without objection, the bill will be reported favorably to the House in the form of a single amendment in the nature of a substitute as amended, incorporating the amendments offered here today. Without objection—adopted here today, excuse me. Without objection, the Chairman is authorized to move to go to conference pursuant to House rules. Without objection, the staff is directed to make any technical and conforming changes, and all Members will be given 2 days as provided by House rules in which to submit additional, dissenting, supplemental, or minority views.

